



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-9, Maine State Income Tax Withholding

Date: April 1, 2005

To: Holders of TAXES (State of Maine only)  
Personnel User Groups  
T&A Contact Points in Maine

Beginning with wages paid for Pay Period 7, the National Finance Center (NFC) will make the following changes to the state of Maine income tax withholdings:

- The Single, Married, and Married - Filing Jointly withholding tables will change.
- The nontaxable flexible spending accounts (health care and dependent care) deductions statement will be added to step 2 on the state tax formula.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov).

MARK J. HAZUDA, Director  
Government Employees Services Division

# Maine State Income Tax Information

<b>State Abbreviation:</b>	ME
<b>State Tax Withholding State Code:</b>	23
<b>Acceptable Exemption Form:</b>	W-4 or W-4ME
<b>Basis For Withholding:</b>	State Exemptions
<b>Acceptable Exemption Data:</b>	S, M, N / Number of Allowances
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	Determine the Total Number Of Allowances Claimed field as follows: <b>First Position</b> - S = Single; M = Married (one income); N = Married, Filing Jointly (two incomes) <b>Second and Third Positions</b> - Enter the number of allowances claimed. If less than 10, precede with a zero.
<b>Additional Information:</b>	If the W-4 is used, code it as a state tax document. Maine allows for an N (Married, Filing Jointly), which is not on the W-4. The employee should write in Married - Filing Jointly on the W-4.

## Withholding Formula ►(Effective Pay Period 7, 2005)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) ►(includes flexible spending account - health care and dependent care deductions)◄ from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4 to determine the taxable income.  
Exemption Allowance = \$2,850 x Number of Exemptions
6. Apply the taxable income computed in step 5 to the following table to determine the annual Maine income tax withholding.

**Tax Withholding Table**  
**Single**  
**(Filing Status S)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ ►0	\$ 2,150	\$ 0	plus 0.0%	\$ 0
2,150	6,600	0	plus 2.0%	2,150
6,600	11,000	89	plus 4.5%	6,600
11,000	19,850	287	plus 7.0%	11,000
19,850	and over	907	plus 8.5%	19,850◄

**Married  
(Filing Status M)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ <span style="color: red;">▶</span> 0	\$ 5,450	\$ 0	plus 0.0%	\$ 0
5,450	14,350	0	plus 2.0%	5,450
14,350	23,150	178	plus 4.5%	14,350
23,150	40,900	574	plus 7.0%	23,150
40,900	and over	1,817	plus 8.5%	40,900 <span style="color: red;">◀</span>

**Married - Filing Jointly  
(Filing Status N)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ <span style="color: red;">▶</span> 0	\$ 2,725	\$ 0	plus 0.0%	\$ 0
2,725	7,175	0	plus 2.0%	2,725
7,175	11,575	89	plus 4.5%	7,175
11,575	20,450	287	plus 7.0%	11,575
20,450	and over	908	plus 8.5%	20,450 <span style="color: red;">◀</span>

7. Divide the annual Maine income tax withholding determined in step 6 by 26 and round to the nearest dollar to obtain the biweekly Maine income tax withholding.

**Note:** If the annual computed tax is \$40 or less, the withholding amount will be changed to zero.